

MVA RESPONSE TO DLS ANALYSIS

DLS Budget Analysis Issues

1. MVA Computer Systems Infected by Worms and Viruses (Pages 3 and 19)

The Department of Legislative Services (DLS) recommends that the MVA discuss with the committees its procedures for managing its critical computer infrastructure, protecting these systems from infection by worms and viruses, including procedures for testing patches for compatibility with existing systems and then installing such patches as they become available and its procedures for managing server operations.

MVA Response:

The MVA installs all critical patches as soon as they have been tested in a test environment to ensure the patches work properly with all MVA systems and applications.

As part of this process, MVA follows the security procedures established by the MDOT/Computer Sciences Corporation Security Group for vulnerability alerts. These procedures are characterized by three phases – subscription, evaluation, and response.

Under subscription, the MDOT/CSC Security group subscribes to a wide range of public and private of security organizations. Under evaluation, as these security organizations send out alerts, the MDOT/CSC Security group evaluates the criticality of the alert. On average, there are approximately 40 alerts per week. Alerts are evaluated based on numerous factors, such as degree of impact to MDOT, relation to operating system or application system, web involvement, and firewall violation.

Under response, any alert with a vendor rating equal to Critical or higher, or deemed necessary by the MDOT/CSC Security group, is immediately sent out for patch distribution. Any virus signatures rated by the vendors higher than LOW (Corporate Only) are sent out immediately for MDOT wide deployment.

Upon notification of a Critical or higher patch incident, MVA immediately installs the patch in a test environment to ensure the patch functions properly with mission critical application software and hardware. At the conclusion of successful testing, the patch is distributed and installed on MVA PC's.

New virus signature files are distributed and installed overnight on all MVA PC's on the date of their release from the anti-virus software vendor.

In addition to those procedures, Computer Sciences Corporation (CSC) conducts a sweep of all the MVA phone lines, servers and PC's that are installed to ensure that there are no unknown or unauthorized modems or connections to the MVA network. The sweep is conducted on a frequent basis.

MVA RESPONSE TO DLS ANALYSIS

Special Fund Allowance - Driver and Vehicle Policies and Programs

1. MVA Cases heard by OAH (Page 13)

The Department of Legislative Services (DLS) recommends that the General Assembly adopt a provision in the Budget Reconciliation and Financing Act that would require that an individual whose request for reinstatement of his/her suspended or revoked license is denied by OAH be required to pay the full costs of his/her OAH hearing.

MVA Response:

The MVA concurs with the recommendation.

MVA RESPONSE TO DLS ANALYSIS

Ongoing Projects

1. Drivers License System/Point of Sale (DLS/POS)

The Department of Legislative Services (DLS) recommends that MVA discuss with the budget committees how the settlement figure of nearly \$6 million was established. In addition, MVA should identify specific changes that can be made in its systems and procedures to improve the management and pricing of change work orders made during the course of large, ongoing IT projects. Finally, MVA should discuss the overall status of the DLS/POS System. (Page 17)

MVA Response:

The settlement amount of \$5,790,581 was negotiated between MVA with the assistance of the Contract Litigation Unit of the Office of the Attorney General and Compaq (which is now Hewlett Packard). The payment was for additional work ordered and accepted by MVA during the course of the project, and for resolution of all Compaq claims and disputed change requests.

Summary of negotiations

- Compaq submitted claims for compensation and schedule relief totaling \$27.5 million for work that Compaq asserted was outside the scope of the contract.
- MVA assessed liquidated damages at \$4,000 per business day beginning October, 2001 totaling approximately \$2 million and considered termination of the contract for default and directing Compaq to complete certain work.
- An independent review and evaluation of the proposed architecture and design of the system stability, deficiencies and technical capabilities was conducted. The conclusion of the review was that the system was fundamentally sound and recommended several changes to enhance workflow and processing time.
- The negotiated amount of \$5,790,58 pays Compaq for additional work ordered and accepted by MVA. MVA agrees to drop its nearly \$2 million claim for liquidated damages and Compaq (Hewlett Packard) agrees to also forego all remaining claims against the MVA.

To improve the management and pricing of change work orders, MVA will implement more stringent reviews by a steering committee consisting of the MVA Deputy Administrator and Associate Administrators. MVA is also investigating the possible use of an Independent Validation and Verification contractor (similar in concept to Construction Inspection Contractors) on large/complex projects. A contractor of this type would be responsible for independent review of deliverables, change orders and costs to determine appropriateness of proposed scopes and value.

With regard to the status of the system the DLS / POS has been deployed to all branches by the end of August, 2003. Phase 3 design for Address Verification, Miscellaneous Transaction Cashiering, Automated Reconciliation System Interface, Mail-in Driver License Renewal, Central Issuance of ID Cards and other functionality was initiated on September 1, 2003 and completed on December 15, 2003. Phase 3 development and implementation is scheduled for completion on or about May 31, 2004.

MVA RESPONSE TO DLS ANALYSIS

Operating Budget Recommended Actions

- 1. Concur with Governor's allowance.*

MVA Response:

The MVA concurs with the recommendation.

MVA RESPONSE TO DLS ANALYSIS

Capital Budget Recommended Actions

1. *Concur with Governor's allowance.*

MVA Response:

The MVA concurs with the recommendation.